

March 5, 2013

Senator Slossberg, Representative Abercrombie, and distinguished members of the Human Services Committee, my name is Carolyn Goodridge. I am the legislative advocate for the CT Association of Foster and Adoptive Parents. The CT Association for Foster and Adoptive Parents is an advocacy and support agency for foster and Adoptive Parents and Relative Care-givers throughout the state. I would like to express my support for S.B. 1023, AN ACT CONCERNING REVENUE RETENTION BY NONPROFIT HEALTH AND HUMAN SERVICES PROVIDERS. The purpose of this legislation is to allow nonprofit providers of health and human services who are in compliance with state contractual provisions and regulatory standards to retain any savings from state contracts to enhance their fiscal health and stability.

As you are all aware, many nonprofit organizations have faced, and continue to face, enormous fiscal challenges, having severely reduced some programs and services in response to the previous rescissions (Nov. 2012) and recent budget modifications (Dec. 2012). These cuts forced several provider organizations to close their doors, and others are concerned they might follow suit with currently proposed funding reductions and eliminations. With the anticipated shortfall in the next biennium, federal sequestration, and another debt ceiling debate looming, nonprofits are looking for additional revenue sources to not only maintain, but to expand quality services and programs. The proposed revenue retention language would directly help nonprofits achieve this objective.

While nonprofits in Connecticut have survived chronic underfunding for the last decade(s), many have realigned their organizational management practices to meet the expectation of operating in a more businesslike fashion. Nonprofits are small businesses and these providers have adopted initiatives supporting performance management, quality improvement, and strategic planning by directing resources to programs with better outcomes and eliminating programs with minimal impact. This proposal would allow nonprofits who provide the contracted services under budget, to be rewarded for their efforts of saving state funds, thereby enabling them to invest the retained funds toward relieving overdue capital improvements, expanding programs and services, as well as providing some relief to personnel.

I strongly urge this committee and the legislature as a whole to support this proposed legislation. In doing so, you will enable our nonprofits to protect the safety net. Thank you for the opportunity to testify.